

EX PARTE OR LATE FILED

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**MAR 28 1997**

Federal Communications Commission  
Office of Secretary

March 28, 1997

**BY MESSENGER**

William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: CC Docket No. 96-45; Ex Parte

Dear Mr. Caton:

The Commonwealth of the Northern Mariana Islands ("Commonwealth") submits this ex parte letter in the above-captioned proceeding to supply additional information with respect to universal service support for health care providers in the Commonwealth. Specifically, this letter addresses the following three points that were raised by Commission staff during a conference call with counsel for the Commonwealth on March 27, 1997.

- *What would be the estimated monthly charge of a dedicated T1 circuit between Saipan and Hawaii?*

According to an estimate from Dave Ecret, Special Assistant to the Commonwealth Governor for Telecommunications and Utilities, the cost of running a dedicated T1 circuit from Saipan to Hawaii would be approximately \$3,600 per month.<sup>1</sup>

- *What is the distance in miles between the Commonwealth and Guam and between the Commonwealth and U.S. points?*

The distance between Saipan (the Commonwealth's largest Island) and Agana, the capital city of Guam is 138 statute miles (120 nautical); between the Commonwealth and Honolulu, Hawaii, 3,710 statute miles (3,226 nautical); and between the Commonwealth and Los Angeles

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<sup>1</sup> See Letter from Thomas K. Crowe, Counsel for the Commonwealth of the Northern Mariana Islands, to William F. Caton, Acting Secretary, FCC (Mar. 12, 1997).

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or San Francisco, 6,360 statute miles (5,530 nautical).<sup>2</sup>

- *Are dedicated and/or private-line telephone rates to and from the Commonwealth expected to drop?*

Telephone charges to and from the Commonwealth are already falling. For example, Micronesian Telecommunications Corporation, the dominant off-island service provider in the Commonwealth, cut its direct dialed rate per minute by more than half in August 1996, from \$2.00 per minute to 99 cents per minute. See MTC Tariff F.C.C. No. 1, 1st Revised Page 16B (effective August 9, 1996). It is certainly no coincidence that this sharp cut took place just two days following release of the Commission's Report and Order adopting rules to implement the rate integration requirement of the Telecommunications Act of 1996.<sup>3</sup>

Notwithstanding the decreases that have already occurred, with the implementation of rate integration on August 1, 1997, telecommunications rates between the Commonwealth and the contiguous United States (as well as other U.S. points) are expected to drop substantially. Dave Ecret, having consulted with telecommunications providers and after studying current rates, estimates that the rate for a direct-dialed minute to or from the Commonwealth, will fall to approximately 30 or 35 cents per minute. Mr. Ecret also believes that private line rates can be expected to experience a comparable decrease. Accordingly, private line rates can be expected to experience an almost 65% decrease with the implementation of rate integration.

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<sup>2</sup> See The Commonwealth's World Wide Web home page (visited March 27, 1997) <<http://www.saipan.com/tourism/travel/distance.htm>>.

<sup>3</sup> See Policy and Rules Concerning the Interstate, Interexchange Marketplace, Report and Order, CC Dkt. No. 96-61, released Aug. 9, 1996.

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Therefore, the required amount of universal service support for the Commonwealth is expected to decrease proportionately as direct-dialed and private-line rates continue to fall due to rate integration and the increased competition which results from it in the Commonwealth.

Please direct any questions to the undersigned.

Sincerely,

Handwritten signature of Thomas K. Crowe in cursive script, followed by the initials "DHS" in a stylized, blocky font.

Thomas K. Crowe,  
Counsel for the Commonwealth of the  
Northern Mariana Islands

cc: All Commissioners  
Universal Service Joint Board  
John F. Clark, FCC  
Regina Keeney, FCC  
Mary Beth Richards, FCC  
Robert W. Spangler, FCC  
Kent R. Nilsson, FCC  
Marian Gordon, FCC  
Allen Stayman, Department of Interior  
Gail L. Polivy, GTE  
Del Jenkins, MTC  
Dave Ecret